

ECONOMIC INDICATORS

National

Consumer Prices - The non-seasonally adjusted consumer price index (CPI) in October 2005 was 4.3%, down .4% for the month and up 1.1% compared to October 2004. Based on information published by Economy.com, the CPI is expected to average 3.7% during 2005, 2.8% during 2006, and 2.7% during 2007.

Money Markets – The average yield on a three-month T-Bill during the third quarter of 2005 was 3.5% compared to the 1.4% average for 2004. Rates are anticipated to continue increasing during the next few years and are expected to average 3.3% for 2005, 4.9% for 2006 and 2007. The prime rate increased to 6.4% during the third quarter of 2005, up over 2% from the 2004 average of 4.3%. Rates are anticipated to continue increasing, averaging 6.2% during 2005, 7.7% during 2006 and 7.6% during 2007.

Personal Income – Personal income rose at a seasonally adjusted annual rate of 2.6% during the third quarter of 2005, slightly lower than the 3.4% average growth rate for 2004. Seasonally adjusted personal income is expected to increase at an annualized rate of 2.8% during 2005, 2.8% during 2006, and 2.9% during 2007.

Agriculture Prices – During the third quarter of 2005, crop prices averaged 1.7% lower than during the same period the previous year. Livestock prices decreased by 3.0% compared with the same period the previous year. Overall, the average for all farm products is expected to decrease by 1.0% during 2005, increase by 4.7% in 2006, and then increase by 6.0% each year from 2007 through 2009.

Local

Unemployment – North Dakota's unemployment rate in October 2005 was 3.5%, down slightly from the September 2005 rate of 3.6% and unchanged from one year ago. The North Dakota rate was considerably lower than the national rate of 5.0% in October 2005.

Energy – Average oil production in September topped the 100,000 barrel per day mark at an estimated 101,400 barrels. August production was 99,900 barrels per day. Drilling permit activity more than doubled, from 27 new permits being issued in August to 61 permits issued in September. The average price for North Dakota crude continues well above forecasted prices. Current prices have dipped to approximately \$54 per barrel; September prices averaged around \$60 per barrel, unchanged from August and up slightly from July. The current rig count is 36, 17 more rigs than were operating one year ago.

Mortgage Rates – Current mortgage rates have edged upward from recent record lows, but remain low by historical standards with 30-year fixed rates at approximately 6.4%. Fifteen-year fixed rates are approximately 5.9%.

Personal Income – Economy.com reports that personal income in North Dakota grew at a rate of 2.0% during 2004 and is expected to grow by 7.2% in 2005, 5.2% in 2006, and 3.7% in 2007. By comparison, personal income grew nationally at an average rate of 3.3% during 2004 and is expected to grow by only 2.8% in 2005, 2.8% in 2006, and 2.7% in 2007.